



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

NR0404E1

-
28th Session
-

O. Fr.

Brussels, 16 July 2003.

DECISIONS TAKEN BY THE HARMONIZED SYSTEM COMMITTEE
AT ITS 31st SESSION AFFECTING THE WORK OF THE REVIEW SUB-COMMITTEE

(Item II.1 on Agenda)

Reference documents :

NR00400E3 (RSC/27 – Report)
NC0730E2 (HSC/31 – Report)

I. SECRETARIAT COMMENTS

1. To facilitate the work of the Review Sub-Committee, the Secretariat, in this document, presents a brief account of the decisions taken by the HS Committee at its 31st Session, as well as pending questions and other issues affecting the work of the Review Sub-Committee.

II. DECISIONS OF THE HS COMMITTEE (HSC/31)

2. The conclusions reached by the HS Committee at its 31st Session, as set out in Annexes F/1, M/13 to M/18, N/2 to N/11 and O/1 to O/4 to Doc. NC0730E2, are as follows :

Possible amendments to the Nomenclature regarding the classification of sauces

3. The Committee decided not to insert a quantitative criterion for visible pieces (e.g., vegetables or fruit) in the proposed Note to Chapter 21 and, as a consequence, to drop the remainder of the proposal in Annex F/1 to Doc. NR0400B3 (RSC/27 - Report) concerning amendments to the Nomenclature regarding the classification of sauces.

Note : Shaded parts will be removed when documents are placed on the WCO documentation database available to the public.

File No. 2838

Possible amendment of the structured nomenclature to heading 39.20 to provide for banknote substrates of plastics (Proposal by the Australian Administration)

4. The Committee noted that this item had been deleted from the Sub-Committee's Agenda.

Proposal by the US Administration to amend the Nomenclature in respect of Chapter 41

5. The Committee adopted the proposed amendment, subject to the deletion of the words "which does not result in a permanent chemical change in the collagen content present in raw hides and skins" from the proposed new third paragraph of Part (I), plus a minor editorial amendment.

Possible amendment of the Explanatory Notes to headings 61.03 and 61.04

6. The Committee adopted the amendments proposed by the Sub-Committee. It also provisionally adopted the proposed amendments to the French version of Note 3 (a) to Chapter 61.

Possible amendments to the Explanatory Notes to correct certain texts and to align the English and French versions (Secretariat proposal)

7. The Committee took note of the fact that there was no consensus in the Sub-Committee that the Explanatory Notes should be amended, and that the Sub-Committee had finished its discussion of this matter without making any recommendation for amendments.

Possible alignment of the French and English texts of Note 9 to Chapter 71 (Proposal by the EC)

8. The Committee provisionally adopted the texts proposed by the Sub-Committee.

Possible amendments to the structured nomenclature to headings 73.04 and 73.06 (Proposal by the EC)

9. The Committee provisionally adopted the proposed amendments, subject to reversing the order of certain two-dash subheadings in order to mention stainless steel commodities first.

Possible creation of a new Note to Chapter 69 to define the term "refractory" (Proposal by the Australian Administration)

10. The Committee took note of the fact that the Sub-Committee had decided not to recommend the creation of a new legal Note to Chapter 69 to define the term "refractory".

Possible amendments to the Nomenclature and the Explanatory Notes regarding the classification of anti-lock braking systems (ABS) (Proposal by the Australian Administration)

11. The Committee noted that the Sub-Committee had agreed not to pursue the transfer of controller units for ABS systems from heading 90.32 to Chapter 87.

Possible amendment of heading 84.22 with regard to the use of the terms "packing" and "packaging"

12. The Committee took note of the fact that the Sub-Committee had agreed, by consensus, that no change in the Nomenclature or the Explanatory Notes was required in connection with this issue.

Possible amendments to the Nomenclature and the Explanatory Notes to correct certain texts

13. The Committee provisionally adopted the texts approved by the Sub-Committee.

Proposal by the EC to create new subheadings for Bluefin tuna in heading 03.01 and for swordfish and toothfish in headings 03.02, 03.03 and 03.04

14. The Committee first agreed to identify Bluefin tunas (*Thunnus thynnus*) and Southern bluefin tunas (*Thunnus maccoyii*) separately at two-dash level in heading 03.01. It also agreed to provide separately for swordfish and toothfish at subheading level in heading 03.03.
15. The Committee also decided to combine current subheadings 0303.50 (herrings) and 0303.60 (cod), which were subsequently split into new subheadings 0303.51 (herrings) and 0303.52 (cod), thus making it possible to identify swordfish and toothfish separately at two-dash level, in subheadings 0303.61 and 0303.62 respectively.
16. Following these discussions the Committee provisionally adopted the proposed amendments to Chapter 3, duly modified.

Possible amendments to subheading 8543.30 and the Explanatory Note to heading 85.43 to align the French texts on the English

17. The Committee provisionally adopted the text proposed by the Sub-Committee for the French version of subheading 8543.30, and adopted the proposed amendment to Explanatory Note 85.43 to align the French text on the English.

Possible amendments to subheading 2529.10 and the relevant Explanatory Notes with regard to the term "felspar" (Proposal by the EC)

18. The Committee provisionally adopted the amendments to the legal texts proposed by the Review Sub-Committee in respect of the English term "felspar", and adopted the proposed amendments to the Explanatory Notes.

Possible alignment of the French and English texts of Subheading Note 1 to Chapter 16, Subheading Notes 1 and 2 to Chapter 20 and Note 3 to Chapter 21 (Proposal by the EC)

19. The Committee provisionally adopted the proposed amendments to the legal texts.

Possible amendment of the Explanatory Note to heading 29.35

20. The Committee took note of the fact that the Sub-Committee had agreed to delete this proposal from its Agenda.

Possible amendment of the Explanatory Note to heading 29.37

21. The Committee adopted the proposed amendment, agreeing that the text of new item (6) on page 482 should be replaced by the text proposed by the Secretariat.

Possible amendment of the Explanatory Note to heading 29.41

22. The Committee adopted the texts proposed by the Sub-Committee.

Possible amendment of the Explanatory Note to heading 30.02

23. The Committee noted that the Review Sub-Committee had concluded that no amendment was needed to Explanatory Note 30.02, and had therefore agreed to maintain the *status quo*.

Possible amendment of the Explanatory Notes to headings 84.33 and 87.01 to clarify the classification of riding lawn-mowers

24. The Committee took note of the fact that the Sub-Committee had invited the **South African** Administration to submit this question directly to the HS Committee.

III. PENDING QUESTIONS

25. The Committee's observations with regard to the pending questions arising from the Report of the 27th Session of the Review Sub-Committee, as set out in Annex F/1 to Doc. NC0730E2, are as follows :

Possible deletion of headings/subheadings with a small volume of trade (Comments by the **Norwegian** Administration and the International Nickel Study Group)

26. The Committee took note of the fact that this question would be re-examined at the Sub-Committee's next session, on the basis of comments which administrations were invited to submit. See Item II.2 on the Agenda.

Consideration of the work of the 1st Meeting of the Working Group

27. The Committee took note of the developments with regard to high-tech provisions and supported the approach suggested by the informal group, including a renewed commitment to meeting the June 2004 deadline for the completion of the 3rd Review Cycle.

28. The Committee also approved the cut-off date suggested by the Sub-Committee, i.e., 30 June 2003, for the submission of any new proposals for the current review cycle.

Possible amendments to the Nomenclature regarding the classification of waffles

29. The Committee took note of the fact that the Sub-Committee had agreed to place in square brackets the criteria of 10% and 20% water content (by weight), to give administrations time to consult their national industries once more in order to check whether one of the proposed maximum water contents could be used to differentiate a significant group of products from the others. See Item III.A.4 on the Agenda.

Proposal by the **US** Administration to amend the Nomenclature and the Explanatory Note to heading 38.21

30. The Committee provisionally adopted the text proposed for heading 38.21 and took note of the fact that the Sub-Committee would further study the Explanatory Notes.

Proposal by the **US** Administration to merge headings 95.01 to 95.03 into a single heading for toys

31. The Committee provisionally adopted the text proposed by the Sub-Committee for new heading 95.03, and took note of the developments in the Sub-Committee concerning new Note 4 to Chapter 95. See Item III.A.21 on the Agenda.

Possible amendment of the structured nomenclature to heading 29.41 and the Explanatory Notes to Chapter 29 (Proposal by the **Mexican** Administration)

32. The Committee took note of developments with the Sub-Committee's study of this question. See Item III.A.9 on the Agenda.

Possible amendment of the structured nomenclature to heading 38.24 (Proposal by UNEP)

33. The Committee took note of developments with the Sub-Committee's study of this question. See Item III.A.10 on the Agenda.

Possible amendment of the structured nomenclature to heading 90.30 (Proposal by the **US** Administration)

34. The Committee took note of developments with the Sub-Committee's study of this question. See Item III.A.20 on the Agenda.

Possible amendment of subheading 0406.40 to cover "blue-veined" and similar cheeses

35. The Committee took note of developments with the Sub-Committee's study of this question. See Item III.A.3 on the Agenda.

Possible amendment of the Explanatory Notes to clarify the classification of sheet-fed presses (Proposal by the **Japanese** Administration)

36. The Committee took note of the fact that the Sub-Committee had decided to place the entire proposal in square brackets, for examination by the pre-session Working Party.

Proposal by the **Canadian** Administration to create a new Subheading Note to Chapter 39 with regard to multi-layered sheets of plastics

37. The Committee took note of developments with regard to the Sub-Committee's study of this question. See Item III.A.11 on the Agenda.

Possible amendment of the Nomenclature to Chapter 44 (Proposal by the **EC**)

38. The Committee took note of developments with the Sub-Committee's study of this question. See Item III.A.12 on the Agenda.

Possible amendment of Note 7 (c) to Section XI (Proposal by the EC)

39. The Committee decided to continue with the examination of this question at its next session, on the basis of a new document which would also present a possible draft amendment to Note 7 (c) to Section XI in the light of the lack of alignment between the French and English texts of this Note, to be envisaged in the framework of the 2007 version of the Harmonized System.

Revision of Chapters 54 and 55 (Proposal by the EC)

40. The Committee took note of developments with the Sub-Committee's study of this question. See Item III.A.15 on the Agenda.

Possible amendments to the Nomenclature and Explanatory Note to heading 61.15 (Proposal by the EC)

41. The Committee took note of developments with the Sub-Committee's study of this question. See Item III.A.16 on the Agenda.

Possible amendments to headings 85.35 and 85.36 (Proposal by the EC)

42. The Committee took note of developments with the Sub-Committee's study of this question. See Item III.A.18 on the Agenda.

Possible creation of a new heading for semiconductor and flat panel display manufacturing equipment (Proposal by the United States and the EC)

43. The Committee took note of developments with regard to the Sub-Committee's study of this question. See Item III.A.19 on the Agenda.

Possible amendment of heading 28.23 with regard to titanium dioxide (Proposal by the EC)

44. The Committee took note of developments with regard to the Sub-Committee's study of this question. See Item III.A.8 on the Agenda.

Possible deletion of subheadings 0105.92 and 0105.93 (Proposal by the EC)

45. The Committee took note of developments with regard to the Sub-Committee's study of this question. See Item III.A.1 on the Agenda.

Possible amendment of the Nomenclature and the Explanatory Notes to heading 90.21 (Proposal by the EC)

46. The Committee decided to return to this matter at its next session, and instructed the Secretariat to prepare a new document which should look at both aspects of the question, namely : (1) a proposed amendment to the present Explanatory Note to heading 90.21, to align the English and French versions; and (2) a draft amendment to the legal text to make this heading more logical and correct its structure, taking into account the proposal by the EC.

Possible amendment of the Explanatory Notes to Chapters 84, 85, 87 and 90

47. The Committee noted that the Sub-Committee would continue with its comprehensive review of the Explanatory Notes to Chapters 84, 85, 87 and 90 at its next session. See Items III.C.1 to III.C.10 on the Agenda.

IV. CONCLUSION

48. The Sub-Committee is invited to take note of the decisions taken by the HSC at its 31st Session, and of pending questions and other issues affecting the work of the Review Sub-Committee.
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